

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2011

CITY OF RIVERSIDE WATER PUBLIC UTILITIES

**2011 SERIES A VARIABLE RATE WATER REFUNDING REVENUE BONDS
BONDS DATED MAY 26, 2011**

CUSIP NUMBER 769076UH1

Prepared by
City of Riverside

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March 1, 2012

RIVERSIDE PUBLIC UTILITIES
CONTINUING DISCLOSURE INFORMATION – 2011A WATER BONDS \$59,000,000
FISCAL YEAR ENDED JUNE 30, 2011

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

1. Also enclosed is the City of Riverside Water Utility 2010/11 Audited Financial Statements.
2. The principal amount of the 2011A Bonds outstanding at June 30, 2011 was \$59,000,000.
3. Water System General Statistics

No. Of Service Connections	64,349
Annual Water Production	21,666 (millions of gallons)
Production from System Wells	21,666 (millions of gallons)
Peak Daily Distribution	91.0 (millions of gallons per day)
Average Daily Distribution ⁽¹⁾	58.0 (millions of gallons per day)

(1) Average Daily Production = Average Daily Distribution

4. Number of Meters

Residential	58,460
Commercial/Industrial	5,482
Other	<u>407</u>
Total - All Classes	<u>64,349</u>

5. Water Sales and Distribution (millions of gallons)

Total Water Sales	19,258
Average Daily Distribution	58.0
Maximum Day Distribution	91.0
Average Daily Sales per Capita (Gallons)	825

6. Summary of Operations and Debt Service Coverage (in thousands)

Operating revenues:

Water Sales	
Residential	\$ 35,721
Commercial	17,863
Other sales	1,725
Wholesale sales	2,745
Other operating revenues	<u>3,132</u>
Total water revenues, before (reserve)/recovery	61,186
Reserve for uncollectible, net of recovery	<u>(123)</u>
Total operating revenue, net of (reserve)/recovery	\$ <u>61,063</u>

Investment income	2,635
Gain on Sale of Assets	18,365
Contributions in aid	1,356
Non-Operating revenues	<u>910</u>
Total revenues	\$ <u>84,329</u>

Operating expenses	
Field operations	\$ 11,447
Production and operations	14,480
Engineering	7,932
Water Resources	<u>1,362</u>
Total expenses	\$ <u>35,221</u>

Net Operating Revenues	
Available for Debt Service and Depreciation	\$ <u>49,108</u>

Debt Service Requirements	
on 2001, 2008, 2009 and 2011 Bonds	\$ 14,063
Debt Service Coverage	3.49

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence of the following significant events with respect to the 2011 VARIABLE RATE WATER REFUNDING REVENUE BONDS, SERIES A \$59,000,000.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of the credit or liquidity providers or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
7. Modification to rights of Bondholders.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds.
11. Rating Changes.
12. Bankruptcy, insolvency, receivership or similar event.